

**LODI CITY COUNCIL
REGULAR CITY COUNCIL MEETING
CARNEGIE FORUM, 305 WEST PINE STREET
WEDNESDAY, JANUARY 17, 2007**

C-1 CALL TO ORDER / ROLL CALL

The City Council Closed Session meeting of January 17, 2007, was called to order by Mayor Johnson at 6:30 p.m.

Present: Council Members – Hitchcock, Katzakian, and Mayor Johnson

Absent: Council Members – Hansen and Mounce

Also Present: City Manager King, City Attorney Schwabauer, and City Clerk Johl

C-2 ANNOUNCEMENT OF CLOSED SESSION

- a) Conference with Blair King, City Manager, and Jim Krueger, Deputy City Manager (Acting Labor Negotiators), regarding Lodi City Mid-Management Association, Maintenance and Operators and General Services Groups, Police Officers Association, Professional Firefighters, and Fire Mid-Managers pursuant to Government Code §54957.6
- b) Actual Litigation: Government Code §54956.9(a); One Case; *Hartford Accident and Indemnity Company, et al. v. City of Lodi, et al.*, Superior Court, County of San Francisco, Case No. 323658

C-3 ADJOURN TO CLOSED SESSION

At 6:30 p.m., Mayor Johnson adjourned the meeting to a Closed Session to discuss the above matters.

The Closed Session adjourned at 7:00 p.m.

C-4 RETURN TO OPEN SESSION / DISCLOSURE OF ACTION

At 7:03 p.m., Mayor Johnson reconvened the City Council meeting, and City Attorney Schwabauer disclosed the following actions.

Item C-2 (a) was discussion only, and Item C-2 (b) was not discussed.

A. CALL TO ORDER / ROLL CALL

The Regular City Council meeting of January 17, 2007, was called to order by Mayor Johnson at 7:03 p.m.

Present: Council Members – Hitchcock, Katzakian, and Mayor Johnson

Absent: Council Members – Hansen and Mounce

Also Present: City Manager King, City Attorney Schwabauer, and City Clerk Johl

B. INVOCATION

The invocation was given by Pastor Steve Newman, First Baptist Church.

C. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Mayor Johnson.

D. AWARDS / PROCLAMATIONS / PRESENTATIONS

D-1 Awards – None

D-2 Proclamations – None

D-3 Presentations – None

E. CONSENT CALENDAR

In accordance with the report and recommendation of the City Manager, Council, on motion of Council Member Hitchcock, Katzakian second, approved the following items hereinafter set forth with the vote shown below:

Ayes: Council Members – Hitchcock, Katzakian, and Mayor Johnson

Noes: Council Members – None

Absent: Council Members – Hansen and Mounce

- E-1 Claims were approved in the amount of \$10,562,261.33.
- E-2 The minutes of January 2, 2007 (Shirtsleeve Session), January 3, 2007 (Regular Meeting), and January 9, 2007 (Shirtsleeve Session) were approved as written.
- E-3 Authorized the sale of scrap wire and metal at periodic intervals during calendar year 2007.
- E-4 Approved the plans and specifications and authorized advertisement for bids for White Slough Water Pollution Control Facility Phase 3 Improvements Project 2007 and authorized the pre-purchase of aeration panels in the amount of \$609,029.
- E-5 Approved the specifications and authorized advertisement for bids for tree trimming for fiscal year 2006-07.
- E-6 Approved the specifications and authorized advertisement for bids for 20,000 feet of #1/0 15kV underground cable.
- E-7 Adopted Resolution No. 2007-05 declaring the City-owned basketball floors and miscellaneous equipment from the Lodi Grape Festival Pavilion as surplus property and authorized advertisement for bids to dispose of this property.
- E-8 Adopted Resolution No. 2007-06 awarding the contract for Well 28 Pump and Motor and Site Improvements Project, 2800 West Kettleman Lane, to Preston Pipelines, Inc., of Milpitas, in the amount of \$284,986, and appropriating funds in the amount of \$110,000.
- E-9 Adopted Resolution No. 2007-07 authorizing the City Manager to execute San Joaquin Council of Governments Cooperative Agreement Amendment No. 1 for Dial-A-Ride capital purchase.
- E-10 Adopted Resolution No. 2007-08 authorizing the City Manager to negotiate and purchase five Type 2 medium bus (Dial-A-Ride) transit vehicles off of the State contract, authorizing conversion of the five vehicles to compressed natural gas, and appropriating funds in the amount of \$450,000.
- E-11 Adopted Resolution No. 2007-09 authorizing renewal of support agreement for Electronic Customer Information Billing System from Alliance Data Systems, of Dallas, Texas, in the amount of \$57,750.
- E-12 Adopted Resolution No. 2007-10 to concur with staff's authorization to modify LSA Associates contract to perform additional economic work for the Greenbelt General Plan Amendment in the amount of \$9,000.
- E-13 "Approve Contract with Kronick Moskovitz Tiedemann & Girard for Services as Bond Counsel in Connection with the Formation of Community Facilities Districts" was **removed from the Consent Calendar and discussed and acted upon following approval of the Consent Calendar.**
- E-14 "Adopt Resolution Authorizing the City Manager and Electric Utility Director to Issue a Request for Bids, Determine the Best Bid, and Execute a Contract for a 25-Megawatt Baseload Power Purchase for Fiscal Years 2008 through 2010 at a Cost Not to Exceed \$65 Per Megawatt Hour" was **removed from the Consent Calendar and discussed and acted upon following approval of the Consent Calendar.**

- E-15 Adopted Resolution No. 2007-11 approving the addition of purchasing procedures to the Art in Public Places Policy.
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ACTION ON ITEMS REMOVED FROM THE CONSENT CALENDAR

- E-13 “Approve Contract with Kronick Moskovitz Tiedemann & Girard for Services as Bond Counsel in Connection with the Formation of Community Facilities Districts”

Council Member Hitchcock inquired about the costs associated with services performed by bond counsels. City Attorney Schwabauer stated the City Council has not historically approved contracts for bond counsel as there is a provision to allow staff to execute contracts with bond counsel within bond documentation. He stated a review of previous bond counsel invoices showed that closing invoices are not detailed and are generally paid from the final bond proceeds.

In response to Mayor Johnson, City Attorney Schwabauer stated San Francisco firms generally are paid higher because their transactional costs are higher and there is a presumption that the firms are better. Mr. Schwabauer stated he believed the Sacramento firm will do a good job at a cost savings and he will provide close oversight of the bills.

In response to Council Member Hitchcock, City Manager King stated that generally the underwriter and bond counsel work at a contingency and are paid from the bond issue.

In response to Council Member Hitchcock, City Manager King stated there are no concerns regarding whether or not the bonds will issue. He stated there is a need for specialized information and they are too far removed from the actual bond issuance at this time.

Mayor Johnson expressed concerns regarding using Orrick versus Kronick based on his review of the companies' historical and financial information from their respective Web sites. City Attorney Schwabauer stated he has worked with Kronick before on similar matters and is confident in its ability to do a good job.

MOTION / VOTE:

The City Council, on motion of Council Member Hitchcock, Katzakian second, approved the contract with Kronick Moskovitz Tiedemann & Girard for services as bond counsel in connection with the formation of Community Facilities Districts. The motion carried by the following vote:

Ayes: Council Members – Hitchcock and Katzakian

Noes: Council Members – Mayor Johnson

Absent: Council Members – Hansen and Mounce

- E-14 “Adopt Resolution Authorizing the City Manager and Electric Utility Director to Issue a Request for Bids, Determine the Best Bid, and Execute a Contract for a 25-Megawatt Baseload Power Purchase for Fiscal Years 2008 through 2010 at a Cost Not to Exceed \$65 Per Megawatt Hour”

Council Member Hitchcock stated she requested the matter be pulled to give the public an opportunity to provide input.

Electric Utility Director George Morrow provided a PowerPoint presentation (filed) regarding the proposal to obtain baseload power for fiscal years 2008 through 2010. Specific topics of discussion included background, existing power resources, open position, net energy balance, open position strategy, procurement process, and staff recommendations.

Discussion ensued between Council Member Hitchcock and Electric Utility Director Morrow regarding market trends for energy procurement for short and long-term purchases. Mr. Morrow stated he was not sure how the purchasing trends would affect global warming since those regulations are further down the road. He stated bad snow pack could cause market price fluctuation and the City is working with the consultant to pursue reasonable buying strategies for the City.

MOTION / VOTE:

The City Council, on motion of Council Member Hitchcock, Katzakian second, adopted Resolution No. 2007-12 authorizing the City Manager and Electric Utility Director to issue a request for bids, determine the best bid, and execute a contract for a 25-megawatt baseload power purchase for fiscal years 2008 through 2010 at a cost not to exceed \$68 per megawatt hour (pursuant to Blue Sheet Item submitted and filed in the City Clerk's Office). The motion carried by the following vote:

Ayes: Council Members – Hitchcock, Katzakian, and Mayor Johnson

Noes: Council Members – None

Absent: Council Members – Hansen and Mounce

F. COMMENTS BY THE PUBLIC ON NON-AGENDA ITEMS

- Lori Otterbeck, a resident on Lake Street, spoke in favor of increased enforcement activity and stop sign installation on Lake and Cross Streets based on her concerns regarding increased traffic speeds in a neighborhood with a high population of children. She provided a petition signed by neighbors (filed), stating the neighbors may participate in a fundraiser associated with the installation of a stop sign. City Manager King stated the appropriate departments will follow up.

G. COMMENTS BY CITY COUNCIL MEMBERS ON NON-AGENDA ITEMS

- Council Member Hitchcock reported on her contact with a city in Germany, which is interested in doing an arts exchange with the City of Lodi, and requested staff follow up with the Arts Commission regarding the same.
- Mayor Johnson requested performance evaluations for all three City Council appointees be placed on the agenda.

H. COMMENTS BY THE CITY MANAGER ON NON-AGENDA ITEMS

- City Manager King introduced Rob Lechner. Mr. Lechner provided a brief presentation regarding the Energy Smart workshops held at Hutchins Street Square and invited the public to attend the viewing of "Who Killed the Electric Car" by Martin Sheen at 6:00 p.m. on Monday, January 22, 2007.

I. PUBLIC HEARINGS

None

J. COMMUNICATIONS

J-1 Claims Filed Against the City of Lodi – None

J-2 The following postings/appointments were made:

- a) The City Council, on motion of Council Member Hitchcock, Johnson second, extended the following terms on the Recreation Commission to allow continued service until appointments are made to fill the vacancies by the vote shown below:

Ayes: Council Members – Hitchcock, Katzakian, and Mayor Johnson

Noes: Council Members – None

Absent: Council Members – Hansen and Mounce

Recreation Commission – Terms extended to such time as additional appointments are made

Ken Sasaki

Ed Wall, Jr.

Barbara Wardrobe-Fox

J-3 Miscellaneous

- a) The City Council, on motion of Mayor Johnson, Hitchcock second, accepted the cumulative Monthly Protocol Account Report through December 31, 2006, as submitted. The motion carried by the following vote:

Ayes: Council Members – Hitchcock, Katzakian, and Mayor Johnson

Noes: Council Members – None

Absent: Council Members – Hansen and Mounce

K. REGULAR CALENDAR

K-1 “Adopt Resolution Establishing an Electric Reserve Fund Policy”

Electric Utility Director Morrow provided a PowerPoint presentation (filed) regarding the proposed resolution establishing an electric reserve fund policy. Specific topics of discussion included background, consultant recommendations, current versus recommended reserve levels, overview of electric reserve fund policy, and reserve funding options.

In response to Mayor Johnson, Mr. Morrow stated the policy will reflect positively and significantly with rating agencies who want to see liquidities and money in the bank as evidence of a healthy electric utility.

In response to Council Member Hitchcock, Mr. Morrow confirmed that the policy does not provide for specific dollar amounts at this time, only that reserves will be closely monitored and built.

MOTION / VOTE:

The City Council, on motion of Council Member Hitchcock, Katzakian second, adopted Resolution No. 2007-13 establishing an Electric Reserve Fund Policy. The motion carried by the following vote:

Ayes: Council Members – Hitchcock, Katzakian, and Mayor Johnson

Noes: Council Members – None

Absent: Council Members – Hansen and Mounce

K-2 “Discuss and Approve the Revised Design and Conceptual Plan for Roget Park, a 4.64-Acre Parcel Located at 2229 Tienda Drive, as Recommended by the Parks and Recreation Commission”

City Manager King briefly introduced the subject matter of a design and conceptual plan for Roget Park.

Parks and Recreation Director Tony Goehring provided a presentation regarding Roget Park, specifically discussing proposed development options, chronological history, Census map and figures, acreage available for project development, proposed conceptual site plans for master planned park, development costs, and correspondence from Dr. Roget. Mr. Goehring stated options include building the original park design at \$1.7 million, developing the vanilla park design at \$545,000, or/or giving a portion of the property back to the Roget family and selling the remainder. Mr. Goehring stated the Parks and Recreation Commission approve of the vanilla park design and that fiscal impacts associated with the mitigation fee and department line item budgeting have not been reviewed in detail.

Council Member Hitchcock suggested including the 3.39 acres in the vanilla park plan. She also expressed concerns regarding frontage of curb, gutter, and sidewalk, narrow access for police response, building a road on the side of the park, and houses fronting the park for security purposes.

In response to Mayor Johnson, Steve Virrey, Park Project Coordinator, stated Roget Park is 251 feet in width and Century Meadows Park is a close comparison to the proposed Roget Park.

City Manager King stated the City Council can pursue a variety of options for property across the park including senior housing, single-family detached homes, and mixed uses. He stated there are options to surplus the property, which may require a review of demographic and statistical census information. Mr. Prima stated there are a variety of options available with road development as well.

Mr. Goehring stated 130 letters were sent to surrounding neighborhoods and few responses were received.

PUBLIC COMMENTS:

- Randy Snider, representing the neighbors backing up to the proposed park on Brittany Lane, spoke in favor of the vanilla park development, stating his opposition to the sale of the property due to the size of the lot.

Council Member Hitchcock expressed interest in senior housing to allow for street visibility for a proposed park.

Discussion ensued between Mayor Johnson and Public Works Director Prima regarding zoning and the potential location of a proposed road.

In response to Council Member Hitchcock, City Manager King stated there may be an opportunity for revenue in connection with the development of the park through the sale of the 3.39 acres or a senior housing development across from the proposed park.

Discussion ensued between Council Member Hitchcock and City Manager King regarding the value of the proposed surplus property, senior housing and single-family residence development in the area, park impact fees, and ongoing costs associated with maintenance for the proposed park.

Mayor Johnson stated funds generated in connection with Parks and Recreation should remain with the same and inquired about a motion to approve Option 2 with a minimal park, selling the proposed surplus property, and giving the remaining funds to Parks and Recreation.

Council Member Hitchcock stated she could support a motion with a street next to the park and limit development to senior housing only.

Discussion ensued between Mayor Johnson, Council Member Hitchcock, City Manager King, and Public Works Director Prima regarding backing potential residential uses to the Target shopping center.

Council Member Katzakian stated he agreed that money should be put back into Parks and Recreation.

City Manager King stated park impact fees must be used for the same and suggested tabling the matter while staff conducts further research so that a full Council can consider and make a decision on the project.

MOTION / VOTE:

The City Council, on motion of Council Member Hitchcock, Katzakian second, tabled the subject matter until such time as all Council Members could be present. The motion carried by the following vote:

Ayes: Council Members – Hitchcock, Katzakian, and Mayor Johnson

Noes: Council Members – None

Absent: Council Members – Hansen and Mounce

RECESS

At 8:57 p.m., Mayor Johnson called for a recess, and the City Council meeting reconvened at 9:08 p.m.

K. REGULAR CALENDAR (Continued)

K-3 "Receive Progress Report on City of Lodi General Plan Update"

Community Development Director Randy Hatch provided a status report regarding the General Plan update. Specific topics of discussion included public outreach, newsletter and general information dissemination at the end of the month, stakeholder meetings in March, the proposed planning area, study area to I-5, previous discussion at Greenbelt Task Force meetings, and Planning Commission review. Mr. Hatch stated the item was before the Council for informational purposes only.

Discussion ensued between Council Member Hitchcock and Mr. Hatch regarding the extension of the proposed study area to square it off on the east and north sides with the potential of enlarging the other sides as well because it is easier to study a larger area currently than it would be later.

Mr. Hatch reviewed the schedule for study strategies and papers, costs associated with the extended area, and impact on the budget for study purposes.

PUBLIC COMMENTS:

- Ann Cerney spoke in opposition to a study encompassing the Mokelumne River area. Council Member Hitchcock commented regarding preserving a greenbelt area in North County and the Sphere of Influence. Mayor Johnson stated the subject matter is a good topic for the shareholder meetings. Mr. Hatch provided an overview of the three-tiered categorization including a General Plan area, a Sphere of Influence, and city limit incorporation.
- Pat Patrick, representing the Chamber of Commerce, stated cities and counties should work together through economic agreements of mutual benefit and to preserve open space, which cannot be done by regulation. He encouraged the City to work with the new Stockton Mayor for tourism purposes.

Mayor Johnson and Council Member Hitchcock suggested contacting the Mayor in Stockton and the new supervisor to work together on common problems in response to the invitation by the Stockton Mayor to do the same.

MOTION / VOTE:

There was no Council action taken on this matter.

K-4 "Receive and Consider the Major Development Projects in North Stockton" was ***pulled and tabled for the next regular City Council meeting.***

L. ORDINANCES

L-1 Following reading of the title of Ordinance No. 1789 entitled, "An Ordinance of the City Council of the City of Lodi Amending Title 12 – Streets, Sidewalks, and Public Places – Chapter 12.06, 'Downtown Lodi Business Improvement Area No. 1,' by Repealing and Reenacting Section 12.06.050, 'Establishment of Benefit Fee,'" having been introduced at a regular meeting of the Lodi City Council held January 3, 2007, the City Council, on motion of Council Member Hitchcock, Johnson second, waived reading of the ordinance in full and adopted and ordered it to print by the following vote:

Ayes: Council Members – Hitchcock, Katakian, and Mayor Johnson
Noes: Council Members – None
Absent: Council Members – Hansen and Mounce
Abstain: Council Members – None

- L-2 Following reading of the title of Ordinance No. 1790 entitled, "An Ordinance of the City Council of the City of Lodi Amending Lodi Municipal Code, Title 9 – Public Peace, Morals, and Welfare – Chapter 9.08, 'Offenses Against Property,' by Repealing and Reenacting Section 9.08.080, 'Definitions,' Adding Section 9.08.115, 'Loitering in Certain Public Places Prohibited,' and Deleting Section 9.08.160, 'Violation – Infraction,'" having been introduced at a regular meeting of the Lodi City Council held January 3, 2007, the City Council, on motion of Council Member Hitchcock, Johnson second, waived reading of the ordinance in full and adopted and ordered it to print by the following vote:

Ayes: Council Members – Hitchcock, Katzakian, and Mayor Johnson
Noes: Council Members – None
Absent: Council Members – Hansen and Mounce
Abstain: Council Members – None

- L-3 Following reading of the title of Ordinance No. 1791 entitled, "An Ordinance of the City Council of the City of Lodi Amending Lodi Municipal Code, Title 9 – Public Peace, Morals, and Welfare – to Add Chapter 9.15, 'Prohibition Against Certain Forms of Aggressive Solicitation,'" having been introduced at a regular meeting of the Lodi City Council held January 3, 2007, the City Council, on motion of Mayor Johnson, Katzakian second, waived reading of the ordinance in full and adopted and ordered it to print by the following vote:

Ayes: Council Members – Hitchcock, Katzakian, and Mayor Johnson
Noes: Council Members – None
Absent: Council Members – Hansen and Mounce
Abstain: Council Members – None

- L-4 "Adopt Ordinance No. 1792 entitled, 'An Ordinance of the Lodi City Council Repealing and Reenacting Chapter 5.32 of the Lodi Municipal Code Pertaining to Massage Establishments'" was ***pulled from the agenda.***

M. ADJOURNMENT

There being no further business to come before the City Council, the meeting was adjourned at 9:46 p.m.

ATTEST:

Randi Johl
City Clerk